

Program Income from NSP Financing

Instructions for Grantees and Sub-Grantees

Activity Definition - Financing Mechanisms

Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers¹

Examples

Loan to finance the purchase and/or rehabilitation of residential property

Second mortgage for purchase – amortized or non-amortized

Program Income - Recurring payments:

A recurring payment occurs when the financing mechanism provides for periodic payment of principal, and interest where applicable.

Program Income - One time or intermittent payment

One time and intermittent payments occur when the NSP financing is due on sale or other stipulated event (recapture of down payment assistance under specified terms).

All principal and interest paid on NSP Financing Mechanism is Program Income.

NSP funds used as a Loan Guarantee

The State will provide separate instructions regarding possible Program Income.

¹ NSP Section 2301(c)(3)(A)

Transmittal

In any month where Program Income received

Transmit Program Income and the Monthly Program Income Summary by the 10th of the following month to:

Colorado Division of Housing
Attention: Asset Manager
1313 Sherman Street Room 518
Denver, CO 80203